

Letter of Exchange and Rules for Company Pensions

booklet

For the Occupational Pension Scheme (one man arrangement) *

* Within the meaning of Article 2 of the Occupational Pension Schemes (Investment) Regulations 2006 to 2010, and within the meaning of Article 4 of the Occupational Pension Schemes (Disclosure of Information) Regulations, 2006



Irish Life

Rules for Company Pensions

The main purpose of the scheme is to provide benefits for the member at retirement and for their dependants if they die before retirement. Except as otherwise provided in the rules, benefits cannot be assigned or surrendered for cash.

The benefits payable under this scheme will be provided by means of an assurance or assurances, under a scheme or schemes to be issued by Irish Life Assurance plc. The employer and trustee will not pay the benefits if the assets of the scheme are insufficient.

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Section 1

Definitions

Interpretation

Certain words and expressions used in these rules have specific meanings, which might be different from the meaning they would have in general use. These words are shown in bold and listed below together with an explanation of their meanings in relation to these rules.

The use of the words "he", "him" and "his" also refer to "she", "her" and "hers" and words suggesting neuter gender should be taken as referring to both male and female, except where the context requires otherwise.

Words in the singular also include the plural and vice versa.

Administrator - means for the purposes of Chapter 1 Part 30 of the Taxes Consolidation Act 1997 the trustee of the scheme or such other person or persons as may be appointed by the trustee with the consent of the Revenue Commissioners.

The Applications - means the initial application made by the trustee, or by the employer on behalf of the trustee, to the life office together with any further applications under the scheme.

Approved Minimum Retirement Fund (AMRF) - means a fund which is managed by a qualifying fund manager and which complies with the conditions of Section 784D of the TCA for this type of fund.

Approved Retirement Fund (ARF) - means a fund managed by a qualifying fund manager and which complies with the conditions of Section 784B of the TCA for this type of fund.

Dependant - means the member's spouse, civil partner, child under the age of 18 or under the age of 21 and still receiving full-time education or vocational training, or any other person who depends financially on the member.

20% Director - means someone who directly or indirectly at any time in the last three years owned or controlled more than 20% of the voting rights in the employer company, or in the parent company of the employer company.

Eligibility - An employee or director of the employer shall be eligible for inclusion in the scheme at the employer's discretion. The employee or director to be nominated for inclusion in the scheme shall be selected by the employer at commencement of the scheme. The scheme is established for that one person only and that one person will always be the only member.

Employer - means any company or firm or individual named as employer on the letter of exchange and plan schedule or as subsequently endorsed to the letter of exchange or plan(s).

Final remuneration of the member - means his final salary as calculated in accordance with the requirements of the Revenue Commissioners.

Final Remuneration if the member is not a 20% Director is the greatest of (a), (b) and (c) below:

(a) The basic pay of the member for any one of the five years preceding retirement date plus the average over a period of three years (or such other period as the Revenue Commissioners will permit) of any fluctuating emoluments. This averaging must end on the last day of the year for which basic pay is taken for the purposes of this calculation.

(b) The average of the member's total emoluments for any three or more consecutive years ending not earlier than 10 years before retirement date.

(c) With the exception of any case which the Revenue Commissioners will not permit, basic pay at the date of retirement or at any date within the previous year plus the average of any fluctuating emoluments calculated over a period of three years ending on the relevant date (or over such a period as the Revenue Commissioners shall permit).

Final Remuneration for the payment of retirement benefits if the member is a 20% Director will always be calculated using definition (b).

For the purposes of calculating final remuneration, where remuneration under options (a) and (b) is calculated by reference to a year or years other than the twelve months ending with normal retirement date, each such year's remuneration may be increased in proportion to the increase in the cost of living as measured by the consumer price index for the period from the end of the year up to normal retirement date.

This will not apply if the member is a 20% Director unless it can be shown to the satisfaction of the Revenue Commissioners, that the amount of the non-commutable pension payable or remaining payable or payable before the application of rules permitting commutation of the whole of the benefits to the director is not less than two-thirds of the annuity equivalent of all retirement benefits payable to the director (or to which he is entitled) under all retirement benefit schemes of the employer at the time any lump sum benefits are to be paid to him under the rules.

No remuneration as a director for which the employee is accountable to any other person by virtue of any directorship or employment or which is treated for tax purposes as a receipt of a trade or profession carried on by him shall be included in his remuneration for the purposes of this definition.

Independent Trustee - The individual(s), or organisation appointed as the trustee (s) of the scheme, that is not the employer.

Letter - means the letter of exchange by which the scheme is established.

Life Office - means Irish Life Assurance plc and / or where Irish Life Assurance plc agrees in writing, any other life office authorised to carry on life assurance business in Ireland.

Member (also known as the customer in the plan schedule) - means an employee of the employer who is eligible for membership and is included in the scheme. For this purpose, employee is a member of staff or director of the employer to whom the letter is addressed.

Normal Retirement Date - the member will have a normal retirement date, which will be between age 60 and 70 or any other age agreed from time to time by the Revenue Commissioners. This will be shown in the applications.

The Pensions Act - means the Pensions Act, 1990 and includes any amendments to it or any regulations made under it.

Plan - means the plan or plans taken out under Rule 2.1(a) in respect of the member.

Qualifying Fund Manager - is defined in Chapter 2, Part 30 of the TCA. Irish Life is a qualifying fund manager.

Registered Administrator - means, for the purposes of the Pensions Act, Irish Life Assurance plc and / or where Irish Life Assurance plc agrees in writing, any other person on the Register of Administrators referred to in section 64C of the Pensions Act.

Renewal Date - means the initial plan anniversary date.

Retained Lump Sum Benefits - means pension retirement lump sums provided for the member and includes:

- (a) retirement lump sums received or receivable from any scheme relating to previous employments including sums received or receivable in commutation of pension,
- (b) retirement lump sums received or receivable from any qualifying overseas pension plan (under Sections 787M and 787N TCA 1997) including sums received or receivable in commutation of pension,
- (c) sums received or receivable under contracts approved under Chapter 2 or 2A, Part 30 of the Taxes Consolidation Act, including sums received or receivable in commutation of retirement annuities.

Provided that benefits in (a), (b) and (c) may be ignored if they do not exceed €1,270 in all.

Retained Pension Benefits - means pension benefits provided for the member and includes:

- (a) pensions relating to previous employments, whether deferred or already in payment, including any part of a deferred pension which is commutable,
- (b) the annuity equivalent of retirement lump sums received or receivable, including any already received in commutation of pension,
- (c) pensions received or receivable under contracts approved under Chapter 2 or 2A, Part 30 of TCA, and
- (d) pensions relating to qualifying overseas pension plan (under Sections 787M and 787N TCA 1997) whether deferred or already in payment, including any part of a deferred pension which is commutable,

Provided that benefits (a), (b), (c) and (d) may be ignored if the total from all sources do not exceed €330 per annum. This limit may be changed by Revenue in the future.

The Rules - means this letter of exchange and rules and any amendments or additions to them.

The Scheme - means the "one member arrangement " set up by the letter and the rules and named in the letter as the scheme. The Scheme is established as a "one member arrangement" within the meaning of Article 2 of the Occupational Pension Schemes (Investment) Regulations 2006 to 2010, and within the meaning of "One Member Arrangement" of Article 4 of the Occupational Pension Schemes (Disclosure of Information) Regulations, 2006 (S.I. No 301 of 2006).

Scheme Year - means the period from the renewal date in any year to the date immediately preceding the next following renewal date, both dates inclusive or such other period as the trustees may, with the approval of the Pensions Authority as required under Section 55 of the Pensions Act, decide from time to time.

Service - means the member's employment either with the employer or with previous employers as the context requires. The service may be in the past or projected to a future date, as the context requires.

Special Contribution - means a once off lump sum contribution which can be paid by the employer and/or by the member.

Specified Income - means a pension or annuity which is payable for the life of the individual including a pension payable under the Social Welfare (Consolidation) Act 2005. Specified income is defined in Chapter 2 of Part 30 of the TCA.

Start date - means the date on which the letter of exchange is signed by the employer and from which the scheme begins.

TCA - means the Taxes Consolidation Act, 1997 and includes any amendments to it or re-enactment.

Trustee(s) - means the employer or other person(s) appointed as the trustee(s) of the scheme.

Section 2

How does the scheme work?

2.1 Commencement and continuation of the scheme

2.1(a) If the employer is appointed as the trustee

On or after the start date of the scheme, the trustee will take out a plan with the Life Office and may, at a later date, change that plan or take out a further plan or plans with the Life Office for the benefit of the member.

If an independent trustee is appointed as trustee

On or after the start date of the scheme the employer, on behalf of the independent trustee who will be the legal owner, will take out a plan with the Life Office and may, at a later date, change that plan or take out a further plan or plans on behalf of the trustee with the Life Office for the benefit of the member.

- 2.1(b)** The trustee will make a range of alternative investments in the funds of the Life Office available to the member. The member may direct the trustee as to which of the alternative investments is to be put in place for the Scheme.

Where the member does not give direction as to the investment of the Scheme's resources, the trustee shall implement an investment plan with the Life Office which will be a Plan invested in one or more of the range of alternative investment funds made available to the member under this provision.

- 2.1(c)** The Plan effected by the trustee, or by the employer on behalf of an independent trustee, may contain provisions and conditions which may prevent or restrict subsequent direction to the trustee by the member for a period of time. The effecting of such a Plan by the trustee, or by the employer on behalf of an independent trustee, shall be deemed to be an investment made at the direction of the member for the duration of any time period within which further directions may be restricted under any such Plan.
- 2.1(d)** The Plan will be subject to the terms and conditions provided to the trustees by the Life Office.

2.2 Payments

Employer contributions

The employer will pay all contributions under any plan effected under these rules unless the member agrees with the employer to contribute. The contribution payable is a fixed amount and is shown on the application form. Future contributions can be amended in line with the employer's wishes. The employer must contribute a minimum contribution to the plan on an on-going basis in accordance with the Revenue Commissioner's rules as amended from time to time.

Member contributions

Where the member has agreed to contribute, he can pay ordinary annual contributions. He shall not, in any year, pay contributions which, when aggregated with total contributions by him to all other retirement benefit schemes, exceed the percentage of remuneration limits set out in the TCA. If payments are made through a payroll benefits scheme, the agreement of the employer is needed for any payment changes.

Additional voluntary contributions / Special contributions

These rules also allow the member to make additional voluntary contributions (and/or special contributions) either under the rules of this scheme or as a separate arrangement or as an additional voluntary Personal Retirement Savings Account (PRSA) contribution as set out in the TCA.

Where the member has agreed to contribute additional voluntary contributions, additional voluntary PRSA contributions and/or special contributions, he shall not, in any year, pay contributions which, when aggregated with total contributions by him to all other retirement benefit schemes, exceed the percentage of remuneration limits set out in the TCA. If payments are made through a payroll benefits scheme, the agreement of the employer is needed for any payment changes.

2.3 Revenue Commissioners' approval and maximum benefits

The scheme is a retirement benefits scheme as defined by Chapter 1 of Part 30 of the TCA, capable of being approved by the Revenue Commissioners as an exempt approved scheme. The scheme may be established by way of a retirement benefits product as defined by Section 772A of the TCA unless contributions exceed the percentage of remuneration limits set out in the TCA, in which circumstances individual approval will be required and obtained from the Revenue when the scheme is established.

The scheme will be registered with the Pensions Authority and the Authority will allocate a Pensions Authority reference number when the scheme is approved by the Revenue.

The scheme is a "one member arrangement" defined contribution scheme for the purposes of the Pensions Act. This means that the level of benefits under the scheme depends on the level of contributions and value of one or more of the pension investment funds provided by any plan or plans effected under the rules. The benefits under the scheme are funded for in advance or prior to the member's retirement date.

The trustee shall have the power to deduct from the proceeds of any plan any taxes or other deductions for which he is legally responsible. The trustee will not provide any benefit under the scheme if it would go over the maximum benefit allowed, or conflict with requirements of the Revenue Commissioners. The trustee will reduce any benefit to ensure it does not exceed the maximum allowable benefits permitted and does not conflict with the Revenue requirements. The trustee must comply with any undertaking given to the Revenue Commissioners.

Refund of Scheme Surplus

If upon application, the proceeds of the scheme cannot be wholly applied in providing benefits which do not exceed the maximum permitted, the excess proceeds shall be paid to the employer.

2.4 Pensions Act

These rules are governed by the Pensions Act. The trustee's duties will be regulated by, and carried out, according to the Pensions Act. In particular the trustee must:

- (i) register the scheme with the Pensions Authority and pay from the scheme any fee that may be required in connection with registering it;
- (ii) give information in relation to the scheme to any person entitled to receive it;
and
- (iii) provide certain information in relation to the scheme, as required under the Pensions Act.

Section 3

Scheme benefits

The benefits payable can be divided into certain groups according to when and why they are payable:

3.1 Benefits at normal retirement date

3.2 Benefits on retirement after normal retirement date

3.3 Benefits on retirement before normal retirement date

3.4 Benefits if a member withdraws before normal retirement age

3.5 Benefits if a member dies in service

3.6 Trivial Pension

3.7 Family Law and Pensions

Each of the above will be described according to the following structure

- Benefit options available
- How each option is calculated
- Any additional options that may be available to the member

3.1 Benefits at normal retirement date

Benefit options available to the member on retirement at the normal retirement date are either of the following options:

Option 1:

An annuity on the life of the member and/or all or any of the benefits listed below:

- A retirement lump sum instead of part or all of the annuity payable under any plan. (Provided that the member shall be entitled at any time before or at retirement to give written notice to the trustee to surrender irrevocably the option to commute the whole or part of his pension or annuity under any plan for a retirement lump sum.)
- An annuity on the life of a dependant (not a child) starting when the member dies.
- Annuity payments to the member's children starting when the member dies.
- Any other benefit that will not prejudice the exempt approval of the scheme under the TCA.

Additional options are available for any benefits payable in respect of any additional voluntary contributions paid. (These options are described below.)

Calculation method for an annuity:

An annuity on the life of the member cannot exceed the greater of the following amounts:

- $1/60^{\text{th}}$ of final remuneration for each year of service with the employer to a maximum of 40 years service (ignoring all retained pension benefits); or
- where the member's number of completed years of service with the employer at normal retirement date is less than forty, and after taking into account all corresponding benefits to which he is entitled under other retirement benefit schemes of the employer and any retained pension benefits; one-sixtieth (or such higher fraction as the Revenue Commissioners will approve) of the member's final remuneration for each year of service with the employer in accordance with the following scale:

Table 1

Completed years service	Maximum pension (fraction of final remuneration)
1	$4/60^{\text{ths}}$
2	$8/60^{\text{ths}}$
3	$12/60^{\text{ths}}$
4	$16/60^{\text{ths}}$
5	$20/60^{\text{ths}}$
6	$24/60^{\text{ths}}$
7	$28/60^{\text{ths}}$
8	$32/60^{\text{ths}}$
9	$36/60^{\text{ths}}$
10 plus	$40/60^{\text{ths}}$

Where a lump sum is taken on retirement, the maximum pension must be reduced by the equivalent pension value of the lump sum taken.

Calculation method for a retirement lump sum benefit:

The member can take part of their pension benefit as a retirement lump sum instead of taking it as annuity at normal retirement age. This retirement lump sum must not exceed the greater of the following amounts:

- $3/80^{\text{ths}}$ of final remuneration for each year of service with the employer to a maximum of 40 years service (ignoring all retained lump sum benefits); or

- where the member's number of completed years of service with the employer at normal retirement date is less than forty, and after taking into account all corresponding benefits to which he is entitled under other retirement benefit schemes of the employer and any retained lump sum benefits; three eightieths (or such higher fraction as the Revenue Commissioners will approve) of the member's final remuneration for each year of service with the employer in accordance with the following scale:

Table 2

Completed years service	Fraction of final remuneration
1 to 8	$3/80^{\text{ths}}$ for each year of service
9	$30/80^{\text{ths}}$
10	$36/80^{\text{ths}}$
11	$42/80^{\text{ths}}$
12	$48/80^{\text{ths}}$
13	$54/80^{\text{ths}}$
14	$63/80^{\text{ths}}$
15	$72/80^{\text{ths}}$
16	$81/80^{\text{ths}}$
17	$90/80^{\text{ths}}$
18	$99/80^{\text{ths}}$
19	$108/80^{\text{ths}}$
20	$120/80^{\text{ths}}$

Where a retirement lump sum is taken on retirement the maximum pension must be reduced by the equivalent pension value of the lump sum taken.

This retirement lump sum will be tax-free if the lump sum from all sources does not exceed €200,000, or an amount specified at that time in accordance with Section 790AA of the TCA. This includes corresponding benefits under (i) other retirement benefit schemes of the employer and previous or subsequent employers and (ii) retirement benefit schemes approved under Chapter 2 or 2A, Part 30 of the TCA.

Calculation method for dependant's or children's annuities:

The total amount of all dependants' annuities and children's annuities must not exceed 100% of the maximum pension that could be provided for the member under these rules, plus any post-retirement increases.

This maximum includes all corresponding benefits payable in respect of the member. This includes corresponding benefits under (i) other retirement benefit schemes of the employer and previous employers and (ii) retirement benefit schemes approved under Chapter 2 or 2A, Part 30 of the TCA. These may be ignored if the total from all sources does not exceed €330 per annum. This limit may be changed by Revenue in the future.

Additional options in respect of additional voluntary contributions:

The AMRF, ARF and taxed cash options described under Option 2 may also be taken in respect of any proportion of the accumulated fund built up from additional voluntary contributions.

Option 2:

The member may avail of the following options instead of the benefits outlined above, subject to Revenue's limits regarding maximum benefits and provided all legislative requirements have been met:

- A retirement lump sum of 25% of the equivalent value of the member's pension benefits which would otherwise be payable under any plan may be taken as cash by the member. This retirement lump sum will be tax-free if the total retirement lump sum from all sources does not exceed €200,000, or an amount specified at that time in accordance with Section 790AA of the TCA. This includes corresponding benefits under (i) other retirement benefit schemes of the employer and previous or subsequent employers and (ii) retirement benefit schemes approved under Chapter 2 or 2A, Part 30 of the TCA; and
- The balance of the equivalent value of the members' pension benefits under any plan as calculated above after receiving the lump sum payment, or the amount required at that time in accordance with Section 772 of the TCA, whichever is the lower, is transferred to an Approved Minimum Retirement Fund (AMRF) held with a qualifying fund manager. If not so transferred, this must be used to purchase an annuity for the member.

No withdrawals may be made from an AMRF before the member reaches age 75 other than in accordance with Section 784C of the TCA.

If there is anything remaining of the balance of the accumulated value of the member's pension fund under any plan (subject to revenue limits regarding maximum benefits) after investing in an AMRF or annuity it may be taken as a lump sum income payment by the member. It is subject to income tax for the year of assessment in which the payment is made. Alternatively the member can invest the remainder in an Approved Retirement Fund (ARF) held with a qualifying fund manager.

If the member is receiving a specified income for life, as defined in Chapter 2 of Part 30 of the TCA, at retirement he does not have to invest in an AMRF or buy an annuity. He can invest all of the equivalent value of his maximum approvable pension benefits under any plan, as calculated above, (or the balance if he has taken a lump sum) in an ARF or take it as an income, which will be taxed. (A combination of these options may be taken.) Any money invested in an ARF may be withdrawn and is subject to income tax.

3.2 Benefits on retirement after normal retirement date

Benefit options available to the member on retirement after the normal retirement date are the following:

- All of the benefit options that are available to a member on retirement at the normal retirement date except that they are provided at his actual date of retirement or at any date between normal retirement date and his actual date of retirement; or
- Rather than defer all benefits, the proceeds of any plan can be taken at any date between normal retirement date and his actual date of retirement, to provide immediately the retirement lump sum as described in section 3.1 Option 1 which the member would have been entitled to receive under any plan if he had retired at the normal retirement date.

These options are subject to the same Revenue maximum limits as apply to benefits taken on retirement at the normal retirement date.

Calculation method for an annuity

The amount of the annuity on the life of the member on retirement after normal retirement date (after taking into account all corresponding benefits to which he is entitled under other retirement benefits schemes of the employer and any retained pension benefits) must not exceed the amounts as described below:

- If the member is not a 20% director the pension benefits can be actuarially increased to take account of the non-payment of the pension in the period between the date of the member's actual retirement date and his specified normal retirement date; or
- If the member is a 20% director, the amount which would have been paid to him had he retired at normal retirement date, actuarially increased, to have regard to the period of deferment by an amount which is not so great that the annuity payable would exceed the maximum approvable by the Revenue Commissioners if the date of actual retirement (or age 70 if earlier) was deemed to be the normal retirement date of the member, except that this limitation does not apply to increases after attainment of age 70.

- If the member is a 20% director and elects to take his retirement lump sum benefit at normal retirement date and to defer his annuity until his actual retirement, his annuity may not be increased as described in above and may only be increased by reference to increases in the consumer price index.

Revenue maximum limits as described in section 3.1 will also apply to these options.

3.3 Benefits on retirement before normal retirement date

Benefit options available to the member on retirement before the normal retirement date are the following:

The member may retire before his normal retirement date subject to the agreement of the employer (provided it is not earlier than his 50th birthday). No further payments will normally be made (unless the employer agrees otherwise). The same options are available to the member as would apply at the normal retirement date.

The amount of the annuity on the life of the member on retirement before normal retirement date (after taking into account all corresponding benefits to which he is entitled under other retirement benefits schemes of the employer and any retained pension benefits) must not exceed the amounts as described below:

Calculation method for an annuity

Any annuity amount must not exceed the greater of:

- $1/60^{\text{th}}$ of the member's final remuneration for each year of service with the employer subject to a maximum of forty years; or
- Such proportion of the amount which would be payable if the member had remained in the service of the employer until normal retirement date as the number of years of service with the employer completed bears to the number of years between the date of entry into service with the employer and normal retirement date, any years in excess of forty being disregarded. With the restriction that where the member's years of service completed is less than 10 years the annuity should not exceed the lesser of the maximum annuity in accordance with Table 1 in Section 3.1 based on service completed and $2/3^{\text{rds}}$ of final remuneration less any retained benefits; or
- Such other amount as the Revenue Commissioners may permit from time to time.

If the member is retiring from their occupation at any age on account of ill-health or disablement before normal retirement date, the maximum applicable shall be calculated as if he had remained in the service of the employer until normal retirement date.

Calculation method for a retirement lump sum benefit:

The amount of the retirement lump sum in the event of stopping service before the normal retirement date (after taking into account all other lump sum benefits to which the member is entitled under other retirement benefits schemes of the employers and any retained lump sum benefits) must not exceed the greatest of any of the following:

- $\frac{3}{80}^{\text{th}}$ of the member's final remuneration for each year of service with the employer subject to a maximum of forty years; or
- Such proportion of the amount which would be applicable if the member had remained in the service of the employer until normal retirement date as the number of years of service with the employer completed bears to the number of years between the date of entry into service with the employer and normal retirement date, any years in excess of forty being disregarded. With the restriction that where the member's years of service completed is less than 20 years the retirement lump sum should not exceed the lesser of the maximum retirement lump sum in accordance with Table 2 in Section 3.1 based on service completed and $\frac{120}{80}^{\text{th}}$ of final remuneration less any retained lump sum benefits.

Provided that if the member is retiring on account of ill-health or disablement before normal retirement date the maximum applicable shall be calculated as if the member had remained in the service of the employer until normal retirement date.

Terminal Ill Health

Should the member become terminally ill with a life expectancy that is unquestionably very short, and is measured in months rather than years, the full value of the scheme may be paid as a lump sum. The maximum retirement lump sum shall be calculated in accordance with section 3.1 as if the member had remained in service of the employer until normal retirement age. The remainder, if any, shall be paid subject to income tax at a rate of 10% (or such other rate required by the Revenue Commissioners).

Other information:

If directed by the employer, the trustee does not have to apply the proceeds of the scheme if the member has ceased service because he has been dismissed for dishonesty, misconduct, or breach of duty, or has withdrawn from service to avoid dismissal, or in other circumstances in which the employer was by reason of his conduct entitled to terminate his employment summarily.

This condition does not apply to the member's payments or to those agreed between the member, the employer and the trustee or as may be required by Part III of the Pensions Act.

3.4 Benefits if a member withdraws from service before normal retirement age

Benefit options available to the member on withdrawal from service before the normal retirement date are the following:

3.4.1 If the member ceases service (other than because of his death) before his normal retirement date, no further payment shall be made under the scheme (unless the employer agrees otherwise). The member shall be entitled to either of the following options:

- An immediate payment of the proceeds of the scheme relevant to the value of the member's payments under any plan. This payment will represent a repayment of the value of the member's contributions under the plan and may be reduced by an amount of tax equal to that which the administrator is liable to the Revenue Commissioners upon making such payment. Provided that this option shall be available only to the extent permitted by the Pensions Act. If the member is a 20% Director he may not select this option; or
- On retirement of the member the trustee can use the proceeds of any plan according to the rules, but subject to any Revenue limits which apply to benefits for members retiring before their normal retirement date as outlined in section 3.3.

For this purpose retirement date can mean whichever of the following dates the trustee decides to use:

- Normal retirement date
- A date earlier than the normal retirement date on which the member could have received a benefit under section 3.3
- Member's normal retirement date under his last employer's retirement benefits scheme
- A date later than current normal retirement date and normal retirement date in last employer's scheme provided the member is still in employment, but not later than his 70th birthday

Instead of either of the options outlined above the trustee can make a transfer payment in lieu of the value of the member's pension benefits under any plan to another scheme of the current or subsequent employer of the member, or to another pension plan which is allowed under the TCA or to a PRSA subject to the restrictions of the Pensions Act. Alternatively, the trustee can assign to the member a paid-up insurance plan already held for the purpose of the scheme subject to the agreement of the Life Office, or purchase non-assignable and non-commutable benefits for the member and his dependants from a life assurance company authorised to carry out business in Ireland.

3.4.2 If the member dies before the trustee uses the proceeds of any plan to provide retirement benefits, then the trustee will use the proceeds of the plan to provide the following benefits:

- If the member is not entitled to a preserved benefit in accordance with the Pensions Act, the proceeds of any plan will be used in the same way as if the member had died in service
- If the member is entitled to a preserved benefit in accordance with the Pensions Act, the proceeds of any plan shall be payable to the member's personal representative.

3.5 Benefits if a member dies in service

If a member dies in service the trustee will direct the life office or other relevant party to apply the proceeds of any plan to provide all or any of the following benefits as the trustee thinks fit:

- A lump sum amount
- An annuity on the life of the dependant (not a child) of the member
- An annuity in respect of any of the member's children

Calculation method for a lump sum benefit:

The lump sum which (after taking into account all other lump sums provided on death under other retirement benefits schemes of the employer or derived from retirement benefit schemes relating to earlier employments, except only such amounts as the Revenue Commissioners will permit to be ignored) must not exceed four times the member's final remuneration plus a repayment of the total of the value of the member's own payments any plan (including any additional voluntary contributions and member special contributions), together with such interest or its equivalent at such level as the Revenue Commissioners shall permit on such payments.

For the purpose of this calculation, final remuneration shall be the rate of remuneration payable to the member at the date of the member's death or such other amount and date prior to the member's death as the Revenue Commissioners will permit.

Calculation method for an annuity

The total amount of all dependants' annuities and children's annuities (after taking into account all corresponding benefits under other retirement benefits schemes of the employer or derived from retirement benefit scheme relating to earlier employments or from contracts approved under Chapter 2 or 2A, Part 30 of the TCA, except only such amounts as the Revenue Commissioners will permit to be ignored) must not exceed 100% of the maximum pension that could be provided for the member under these rules, plus any post retirement increases.

Any annuity must be bought (according as the trustee directs) from the life office or some other life office authorised to carry out assurance business in Ireland.

Payment conditions on lump sum benefit:

The lump sum will be held or paid and applied according as the trustee, within two years after the member's death, decides. The trustee must pay the lump sum to the member's legal personal representatives or pay or apply all or any part of the lump sum in the following ways:

- For the benefit of any one or more of the member's spouse, civil partner, children or dependants, and if there is more than one, in such shares as the trustee shall in their absolute discretion decide; or
- For the benefit of any one or more persons (whether or not incorporated) who are entitled to any interest in the member's estate under his will; or
- For the benefit of any one or more persons (whether or not incorporated) whose names and details have been given to the trustee in writing as a person who the member wishes the trustee to consider as a possible recipient of any benefit when the member dies.

Payment conditions on children's annuity benefit:

A children's annuity will be paid as the trustee determines to any one or more of the member's children, or, the trustee can pay it to the person who the trustee believes is best suited to support and look after the children. After the payment is made the trustee's responsibility ends. A children's annuity will end when:

- the child reaches 18, or 21 if they are in full-time educational or vocational training; or
- the child dies
- whichever is earlier.

3.6 Trivial Pension

On retirement of the member as outlined in section 3.1, 3.2, 3.3 or 3.4, the value of the scheme may be paid as a lump sum if

- the aggregate benefits payable to the member from the scheme (and any other exempt approved scheme relating to the same employer or associated employer) do not exceed the value of an annuity of €330 per annum (based on the cost of a single life annuity with no escalation); or
- the total of all pensions provided to the member from exempt approved schemes under Chapter 1, Part 30 of the TCA and contracts approved under Chapter 2 or 2A, Part 30 of the TCA following payment of any retirement lump sum are less than €20,000.

In both instances a retirement lump sum shall be payable in accordance with section 3.1, 3.2, 3.3 or 3.4 as appropriate. The remainder, if any, shall be paid subject to the deduction of the appropriate taxes required by the Revenue Commissioners.

3.7 Family law and pensions

The scheme benefits are payable in accordance with the rules of the scheme. However, if the member is involved in a separation, divorce, dissolution of a civil partnership or ending of a relationship with a qualified cohabitant, a Pension Adjustment Order may be granted by the Court which directs the trustee(s) to pay all or part of the benefits payable under this scheme on the member's retirement, date of withdrawing from Service or death, to persons named in the Pension Adjustment Order. A Pension adjustment Order issued by the Court will over-ride the rules of this scheme. There is no option to establish an independent benefit within this scheme.

Section 4

Stopping contributions

The employer may at any time stop paying contributions into the scheme. If the employer stops paying contributions, any proceeds of the plan will continue to be held under the relevant plan for application in accordance with these rules, unless the relevant plan is continued by a new employer as described in rule 7.1.

Section 5

Trustee duties and powers

5.1 The trustee as administrator

The employer hereby declares itself as trustee of the scheme and administrator of the scheme for the purposes of the TCA, unless the employer appoints as trustee(s) and administrator(s) an organisation or individual(s) named as trustee(s) on the letter of exchange or supplementary letter of exchange. The trustee confirms that it will hold the benefits of the scheme under irrevocable trusts in accordance with the terms of the letter and the rules.

The trustee hereby appoints Irish Life Assurance plc as Registered Administrator for the purposes of the Pensions Act. Irish Life agrees to prepare, on behalf of the trustee, the annual pension benefit statement for the member. An annual trustee report is not required for one-member arrangements.

The trustee or Irish Life can choose to terminate this appointment by giving at least 90 days written notice to the other party. This 90 day notice period may only be reduced where both parties agree to it, or if required by legislation.

5.2 Investment of the scheme resources

- 5.2.1 The resources of the scheme shall be invested in accordance with directions given by the member at the member's discretion in one or more plans or policies issued by the Life Office.
- 5.2.2 The trustee may propose to the member different types of investments which could be made by the trustee at the direction of the member in plans or policies issued by the Life Office ("the investment alternatives").
- 5.2.3 Where the member gives no direction as provided for in 5.2.1 and 5.2.2 or as provided for generally in these rules, the trustee shall determine within which (and in what proportion) of the investment alternatives the resources of the scheme are to be invested until such time as the member gives direction otherwise. The investment alternative(s) so chosen by the trustee shall be known as the "default investment strategy". The trustee will determine the default investment strategy having regard to the member's age, normal retirement date and such other factors which the trustee considers appropriate at the relevant time.
- 5.2.4 Where the member wishes to give direction to the trustee as to how the resources of the scheme are to be invested, and where at the time of giving such direction the resources have been invested otherwise by the trustee, the trustee shall be permitted a reasonable period of time to give effect to the member's direction having regard to the type of investment then invested in and the type of investment to be subsequently invested in.

Where the giving of effect to the member's direction gives rise to costs these costs shall accrue to the scheme.

- 5.2.5 The trustee shall incur no liability solely by reason of giving effect to the directions of the member given in accordance with these rules.
- 5.2.6 The trustee shall not be liable for poor investment returns as a result of investments made by the trustee, or made by the trustee as a result of directions from the member.
- 5.2.7 **If the employer is appointed as the trustee**
Enquiries about investment alternatives and any default investment strategy should be forwarded to the trustee at the employer's business address detailed on the application form.
- If an independent trustee is appointed as trustee**
Enquiries about investment alternatives and any default investment strategy should be forwarded to the trustee at the trustee's business address detailed on the trustee's welcome pack.

5.3 Alteration

The trustee may at any time and from time to time, subject to the written consent of the Life Office and the employer, alter the scheme rules, but no such alteration shall result in a reduced value of benefits as a consequence of the alteration compared to the value immediately prior to the alteration.

The trustee shall not make any such alteration which shall alter any direction given by the member as to how the resources of the scheme are to be invested.

5.4 Appointment and removal of a trustee

The power of appointing new or additional trustees or removing trustees of the scheme and of the trusts established here, shall be vested in the employer. That is unless the employer is liquidated or is unable or unwilling to carry out their responsibilities as outlined in the rules. In this case it will be possible for the relevant life office to exercise the power of appointing new or additional or removing trustees of the scheme if it considers it to be in the best interests of the member.

Where there are no trustees or the trustees cannot be found, the Pensions Authority may, if it considers it desirable to do so, appoint a new trustee or trustees in accordance with Section 64 of the Pensions Act 1990.

The High Court may, on application to it by the Pensions Authority by petition, make an order for the removal of a trustee and the appointment of a new trustee in accordance with Section 63 of the Pensions Act 1990.

A body corporate may act as sole trustee or with one or more other trustees, but if each trustee is an individual then the number of trustees shall be at least two.

5.5 Resignation of a trustee

A trustee may resign from the position of trustee. If the last remaining trustee resigns then the employer shall use the power vested in them to appoint a trustee and notify Irish Life accordingly of any appointment. If the employer does not appoint a trustee then the employer will automatically be appointed as trustee.

Section 6

Member's discretion in relation to how the scheme's resources are invested.

The member shall have discretion to give direction to the trustees as to how the scheme resources are to be invested in one or more plans or policies issued by the Life Office.

Section 7

Winding up of the scheme

7.1 If the scheme is taken over by a new employer

If an order or an effective resolution is passed to wind-up the employer or if the employer so wishes, any person or firm employing the member (hereinafter called in this rule the "new employer") may agree with the employer that the scheme shall thereafter have effect as if the new employer were the employer subject always to the consent in writing of the relevant life office or other party. In that event, if the scheme is vested in the old employer it shall become vested in the new employer subject to the approval of the Revenue Commissioners and to any changes which may be necessary for this purpose.

7.2 Trustee powers to receive or pay transfer values

While the member remains an employee of the employer, the trustee may receive, from another retirement benefits scheme or pension scheme that is approved under the TCA, payments made for service with the employer or previous employers of the member. These payments can be invested in any plan effected under these rules.

The trustee can make a transfer payment in lieu of the value of the member's pension benefits under this scheme to another scheme of the current or subsequent employer of the member or another pension plan approved under the TCA or to a PRSA subject to the restrictions of the Pensions Act. A transfer payment to a PRSA, other than a transfer representing the value of the member's Additional Voluntary Contributions, will be allowed on the member changing employment or on the scheme being wound-up provided benefits have not become payable under the scheme and the period of membership of the scheme (including as a member of any other scheme related to the employer, or as a member of any scheme with any person connected with the employer) is 15 years or less. Alternatively, the trustee can assign to the member a paid-up insurance plan already held for the purpose of the scheme subject to the agreement of the Life Office, or purchase non-assignable and non-commutable benefits for the member and his dependants from a life assurance company authorised to carry out business in Ireland.

In the case where a transfer payment is made, the receiving scheme may treat the transfer payment as representing the member's payments only to the extent certified by the administrator. Any prohibitions attaching to a refund of the value of the member's contributions in the plan or to the irrevocable surrender of the option to commute the whole or part of his pension or annuity under any plan for a retirement lump sum must be applied in the receiving scheme.

7.3 Winding up the scheme

The scheme shall be wound up where one of the following applies:

- the member decides that the scheme shall be wound up; or
- the employer decides that the scheme shall be wound up; or
- an order is made or resolution is passed to wind up the employer and no person agrees under rule 7.1 to take over the scheme; or
- a new employer who takes over the business of the employer does not agree under rule 7.1 to take over the scheme.

When the scheme is wound up, the trustee must use the remaining proceeds of any relevant plan to provide benefits for the member and his dependants. Subject to the approval of the Revenue Commissioners, benefits for the member and his dependants shall be provided either by assigning to the member a paid-up insurance plan already held for the purpose of the scheme subject to the agreement of the Life Office, or purchasing non-assignable and non-commutable benefits from a life assurance company authorised to carry out business in Ireland, or by payment of transfer values to a PRSA subject to the restrictions of the Pensions Act, or by payment of transfer values to schemes of the member's other employers. Where the proceeds of the plan cannot be applied in this way, they will revert back to the employer.

Within 12 weeks after a decision to wind up the pension scheme has been made or the date on which the trustee first becomes aware or ought reasonably to have been aware that an event has occurred which requires the scheme to be wound up, notification must be sent to the member (or other persons entitled to receive benefits under the scheme) and the Pensions Authority that a decision has been made, or an event has occurred, to wind up the scheme.

On a scheme becoming wound-up the member's discretion as provided for in these rules shall cease and the trustee shall have sole discretion as to how the resources of the scheme are thereafter applied.

Notes:

Notes:

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In the interest of customer service we will record and monitor calls.

Irish Life Assurance plc is regulated by the Central Bank of Ireland.

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